My Heart Bodibra Group Limited
心心芭迪貝伊集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8297)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2019

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "GEM")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on the GEM are generally small and mid-sized companies, there is a risk that securities traded on the GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on the GEM.

*This announcement, for which the directors (the "**Directors**") of My Heart Bodibra Group Limited (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

The board of directors (the "**Board**") of the Company announces the unaudited condensed consolidated results of the Company and its subsidiaries (the "**Group**") for the three and nine months ended 31 December 2019, together with the comparative unaudited figures for the corresponding period in year 2018 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine months ended 31 December 2019

		For the three months ended 31 December		For the nine months ended 31 December	
		2019	2018	**2019**	2018
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	Note	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue	*4*	**14,468**	18,886	**47,409**	51,715
Cost of sales		**(5,341)**	(4,461)	**(12,328)**	(10,501)
Gross profit		**9,127**	14,425	**35,081**	41,214
Other income		**351**	18	**635**	25
Selling expenses		**(5,544)**	(9,942)	**(19,760)**	(28,158)
Administrative, listing expenses and other operating expenses		**(6,679)**	(9,922)	**(24,489)**	(29,962)
Finance costs		**(290)**	(23)	**(860)**	(62)
Share of profit of an associate		**479**	–	**664**	–
Loss before tax		**(2,556)**	(5,444)	**(8,729)**	(16,943)
Income tax expense	*5*	**–**	–	**–**	(32)
Loss for the period attributable to the owners of the Company		**(2,556)**	(5,444)	**(8,729)**	(16,975)
Other comprehensive income for the period, net of tax:					
Item that may be reclassified to profit or loss:					
Exchange difference on translating foreign operations		**(6)**	(47)	**29**	(204)
Total comprehensive income for the period attributable to the owners of the Company		**(2,562)**	(5,491)	**(8,700)**	(17,179)
Loss per share					
Basic (HK cents)	*7(a)*	**(0.53)**	(1.13)	**(1.82)**	(3.54)
Diluted (HK cents)	*7(b)*	**(0.53)**	(1.13)	**(1.82)**	(3.54)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2019

	Share capital *HK$'000*	Share premium account *HK$'000*	Capital reserve *HK$'000*	Foreign currency translation reserve *HK$'000*	Statutory reserve *HK$'000*	Retained profits/ (accumulated losses) *HK$'000*	Total Equity *HK$'000*
At 1 April 2018 (audited)	4,800	34,250	(34)	256	243	942	40,457
Loss and total comprehensive income for the period (unaudited)	–	–	–	(204)	–	(16,975)	(17,179)
Appropriations (unaudited)	–	–	–	–	220	(220)	–
At 31 December 2018 (unaudited)	4,800	34,250	(34)	52	463	(16,253)	23,278
At 1 April 2019 (audited)	**4,800**	**34,250**	**(34)**	**38**	**525**	**(23,758)**	**15,821**
Adjustments on initial application of HKFRS 16	**–**	**–**	**–**	**–**	**–**	**(1,045)**	**(1,045)**
Restated balance at 1 April 2019	**4,800**	**34,250**	**(34)**	**38**	**525**	**(24,803)**	**14,776**
Loss and total comprehensive income for the period (unaudited)	**–**	**–**	**–**	**29**	**–**	**(8,729)**	**(8,700)**
At 31 December 2019 (unaudited)	**4,800**	**34,250**	**(34)**	**67**	**525**	**(33,532)**	**6,076**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2019

1. GENERAL INFORMATION

My Heart Bodibra Group Limited was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 27 May 2016. The address of its registered office is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business in Hong Kong is Unit 2801–03, 28/F., Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong. The shares of the Company are listed on the GEM since 13 July 2017 (the "**Listing**").

The Company is an investment holding company and its principal subsidiaries are mainly engaged in the business of (1) manufacturing and retail sales of lingerie products in Hong Kong, Macau and the People's Republic of China (the "**PRC**"); (2) provision of beauty services ; and (3) trading of garments.

In the opinion of the directors of the Company, as at 31 December 2019, Global Succeed Group Limited, a company incorporated in the British Virgin Islands and jointly controlled by Mr. Chan Lin So Alan and Mr. Yiu Koon Pong, is the immediate and ultimate holding company of the Company.

2. BASIS OF PREPARATION

The unaudited condensed consolidated results of the Company for the nine months ended 31 December 2019 have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (hereinafter collectively referred to as the ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules.

The unaudited condensed consolidated results are presented in Hong Kong dollars ("**HK$**"), which is the same as the functional currency of the Company, and have been prepared under historical cost convention.

These condensed results should be read in conjunction with the annual financial statements for the year ended 31 March 2019. The accounting policies and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2019 except as described in Note 3 below.

3. APPLICATION OF NEW AND REVISED HKFRSs

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operation and effective for its accounting period beginning on 1 April 2019.

The Group has initially adopted HKFRS 16 Leases from 1 April 2019. A number of other new standards are effective from 1 January 2019 but they do not have material effect on the Group's unaudited condensed consolidated financial statements.

HKFRS 16 Leases

HKFRS 16 supersedes HKAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases — Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single lessee accounting model.

Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. Therefore, HKFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted HKFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and IFRIC 4 at the date of initial application. The Group elected to use the practical expedient for not to perform a full review of existing leases and applies HKFRS 16 only to new contracts.

The transition effects arising from the adoption of HKFRS 16 are presented below.

The following tables analyse the impact, net of tax, of transition to HKFRS 16 on the statement of financial position of the Group.

	At 1 April 2019
	HK$'000
Right-of-use assets	
Closing balance under HKAS 17 at 31 March 2019	–
— Recognition of right-of-use assets under HKFRS 16	21,270
Opening balance under HKFRS 16 at 1 April 2019	21,270
Lease liabilities	
Closing balance under HKAS 17 at 31 March 2019	–
— Recognition of lease liabilities under HKFRS 16	22,315
Opening balance under HKFRS 16 at 1 April 2019	22,315
Accumulated losses	
Closing balance under HKAS 17 at 31 March 2019	(23,758)
— Recognition of right-of-use assets under HKFRS 16	21,270
— Recognition of lease liabilities under HKFRS 16	(22,315)
Opening balance under HKFRS 16 at 1 April 2019	(24,803)

Nature of the effect of adoption of HKFRS 16

The Group has lease contracts for various items of retail outlets and motor vehicles. Before the adoption of HKFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under other assets and other liabilities, respectively.

Upon adoption of HKFRS 16, the Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e. the right-of-use assets and lease liabilities equal to the lease assets and liabilities recognised under HKAS 17). The requirements of HKFRS 16 were applied to these leases from 1 April 2019.

Leases previously classified as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Relied on its assessment of whether leases are onerous immediately before the date of initial application.
- Applied the short-term lease recognition exemption to leases with lease term that ends within 12 months at the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use assets at the date of initial application.
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Based on the foregoing, as at 1 April 2019:

- Right-of-use assets of approximately HK$21,270,000 were recognised and presented separately in the consolidated statement of financial position.
- Additional lease liabilities of approximately HK$22,315,000 were recognised.
- The net effect of these adjustments had been adjusted to retained profits in the amount of approximately HK$1,045,000.

The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments as of 31 March 2019 as follows:

	HK$'000
Operating lease commitments as at 31 March 2019	19,578
Incremental borrowing rate as at 1 April 2019	5.5%
Discounted operating lease commitments as at 1 April 2019	18,557
Adjustments as a result of a difference treatment of extension and termination options	2,490
Finance lease liabilities recognised as at 31 March 2019	1,268
Lease liabilities as at 1 April 2019	22,315

Summary of new accounting policies

Set out below are the new accounting policies of the Group upon adoption of HKFRS 16, which have been applied from the date of initial application:

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date which the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expense in the period during which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification (i.e. a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset).

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered as low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain to exercise the option. That is, it considers all relevant factors that create an economic incentive for it to exercise the option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is beyond its control and affects its ability to exercise (or not to exercise) the option (e.g. a change in business strategy).

Amounts recognised in the consolidated statement of financial position and profit or loss

Set out below are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period:

	Right-of-use	**Lease liabilities**
	HK$'000	*HK$'000*
At 1 April 2019	21,270	22,315
Commencement of new tenancy agreement	8,216	8,216
Depreciation	(10,669)	–
Interest expenses	–	819
Payments	–	(11,496)
At 31 December 2019	18,817	19,854

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the financial statements of the Group.

4. REVENUE

Revenue represents the aggregation of net amounts received and receivable during the period. An analysis of the Group's revenue from external customers for the period is as follows:

	For the three months ended 31 December		**For the nine months ended 31 December**	
	2019	2018	**2019**	2018
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Products and services transferred at a point in time:				
Sales of lingerie products and other complementary and ancillary products	**14,009**	18,875	**45,567**	48,843
Trading of garments	**–**	–	**90**	–
Income from unused credit packages	**246**	–	**897**	2,861
Provision of beauty services	**213**	11	**855**	11
	14,468	18,886	**47,409**	51,715

5. INCOME TAX EXPENSE

	For the three months ended 31 December		For the nine months ended 31 December	
	2019	2018	**2019**	2018
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Current tax:				
Hong Kong Profits Tax	**–**	–	**–**	–
Macao Complementary Tax	**–**	–	**–**	–
PRC Enterprise Income Tax ("**EIT**")	**–**	–	**–**	(32)
	–	–	**–**	(32)
Overprovision in prior year:				
Hong Kong Profits Tax	**–**	–	**–**	–
	–	–	**–**	(32)

Hong Kong Profits Tax has been provided at tiered rates of 8.25% on the first HK$2 million and 16.5% for the remainder (for the three and nine months ended 31 December 2018: 16.5%) on the estimated assessable profits for the three and nine months ended 31 December 2019.

Under the Macao Complementary Tax, taxable income below MOP600,000 is exempted from taxation while amount beyond this amount is to be taxed at the rate of 12% for the three and nine months ended 31 December 2019.

PRC EIT has been provided at a rate of 25% (for the three and nine months ended 31 December 2018: 25%) on the estimated assessable profit of those subsidiaries established in the PRC for the three and nine months ended 31 December 2019.

6. DIVIDENDS

The Directors do not recommend the payment of a dividend for the nine months ended 31 December 2019 (for the nine months ended 31 December 2018: Nil).

7. LOSS PER SHARE

(a) Basic loss per share

The calculation of the basic loss per share is based on the following:

Loss	For the three months ended 31 December		For the nine months ended 31 December	
	2019	2018	**2019**	2018
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Loss for the purpose of calculating basic loss per share	**(2,556)**	(5,444)	**(8,729)**	(16,975)

Number of shares	For the three months ended 31 December		For the nine months ended 31 December	
	2019	2018	**2019**	2018
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Issued ordinary shares at the beginning of period	**480,000,000**	480,000,000	**480,000,000**	480,000,000
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	**480,000,000**	480,000,000	**480,000,000**	480,000,000

(b) Diluted loss per share

No diluted loss per share is presented as the Company did not have any dilutive potential ordinary share.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is one of the leading retailers of lingerie with shaping functions in Hong Kong, with production facilities in the PRC and Hong Kong. The Group principally offers a wide range of its own branded lingerie that are designed with shaping functions which aim to achieve better body appearances, including bras and panties, body shaping underwear and chest support vests. The Group also sells ancillary products included but not limited to breast cream, panties, nude bras, swimwear, bras straps and pads, and waist bands.

During the period under review, the Group has maintained its focus on Hong Kong market and has leased new retail outlets at (1) Shop No. 253 on level 2 of East Point City, 8 Chung Wa Road, Tseung Kwan O, which has commenced operation from 19 April 2019; (2) 1/F., 14-B Cameron Road, Kowloon, which has commenced operation from 7 June 2019 and (3) Shop No. 2105, 2/F., Commercial Development of OP Mall, Tsuen Wan, N.T., which has commenced operation from 23 January 2020. On the other hand, the Group has ceased operation of retail outlet at (1) 4/F., Mao Ye Bai Huo, HuaQiang Bei, Futian Qu, Shenzhen, Guangdong Province, the PRC, since 20 May 2019; (2) 3/F., Dong Peng Long Shang Ye Cheng (Hai Ya Bin Fen, Guang Chang) Nan Hai Da Dao, Yue Hai Jie Dao, Nan Shan, Shenzhen, Guangdong Province, the PRC, since 30 August 2019; and (3) Rua Norte do Mercado de S. Domingos No. 2–4A, B R/C, Macau, since 15 August 2019.

The Group raised the net proceeds from the public offer of its shares of approximately HK$16.7 million after deducting commission and expenses borne by the Company in connection with the public offer. During the period from 13 July 2017, the date of which the shares of the Company were listed on the GEM, to 31 December 2019, approximately HK$16.7 million of the net proceeds was utilized in accordance with the proposed implementation plans as disclosed under the section headed "FUTURE PLANS AND USE OF PROCEEDS" in the prospectus of the Company dated 26 June 2017 (the "**Prospectus**") and the announcement of the Company dated 11 January 2019.

Due to the continuous social incidents in Hong Kong since June 2019 and the recent outbreak of novel coronavirus pneumonia in mainland China and Hong Kong, the Directors consider that the Hong Kong's economy would be affected as a whole and the consumers' spending sentiment will be materially weakened. The Group will remain conservative and prudent towards its profitability in the coming months. The Board and the senior management will formulate necessary strategies and strengthen the cost control measures to deal with this adverse market condition.

REVENUE

During the period under review, the Group recorded a revenue of approximately HK$47.4 million, which principally represents income derived from the sale of lingerie products with shaping functions and other complementary and ancillary products, representing a decrease of approximately 8.3% compared with the revenue of approximately HK$51.7 million recorded for the corresponding period in 2018 as a result of (1) the ongoing keen competition in the market; and (2) the continuous social incidents since June 2019 and the ad-hoc variation or shortening of opening hour of shopping malls in the areas where our Groups retail outlets are located.

GROSS PROFIT MARGIN

Gross profit margin of the Group has reduced by approximately 5.7% from 79.7% for the nine months ended 31 December 2018 to 74.0% for the nine months ended 31 December 2019. This is mainly due to the decrease in sales volume and the increase in cost of production overheads during the period under review.

EXPENSES

Selling expenses during the period under review decreased by approximately HK$8.5 million from approximately HK$28.2 million for the nine months ended 31 December 2018 to approximately HK$19.7 million for the corresponding period in 2019, which was mainly attributable to the decrease in staff costs and marketing expenses for the promotional activities.

Administrative expenses decreased by approximately HK$5.5 million from approximately HK$30.0 million for the nine months ended 31 December 2018 to approximately HK$24.5 million for the corresponding period in 2019, which was primarily due to the decrease in staff costs, legal and professional fees and other general operating expenses.

INCOME TAX EXPENSE

Income tax expense decreased by approximately HK$31,900 from an expense of approximately HK$32,000 for the nine months ended 31 December 2018 to an expense of approximately HK$100 for the corresponding period in 2019.

LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

Loss attributable to owners of the Company for the nine months ended 31 December 2019 amounted to approximately HK$8.7 million, compared to that of approximately HK$17.0 million recorded for the corresponding period in 2018. The decrease in loss attributable to owners of the Company was primarily due to the successful implementation of cost control measures on the general operating expenses during the period under review.

OTHER INFORMATION

DISCLOSURE OF INTERESTS

(a) Directors' and chief executives' interests and short positions in shares, underlying shares and debentures of the Company and its associated corporations

As at 31 December 2019, none of the Directors nor chief executives of the Company and their respective associates had any interests and short positions in any shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**")), which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standards of dealing by directors as referred to in Rule 5.46 of the GEM Listing Rules.

(b) Interests and short positions of substantial shareholders in the shares, underlying shares and debentures of the Company

So far as is known to the Directors, as at 31 December 2019, the following persons (not being Directors or chief executives of the Company) had, or were deemed to have, interests or short positions (directly or indirectly) in the shares or underlying shares of the Company that would fall to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Long positions in the shares of the Company

Name of Shareholder	Nature of interest/ holding capacity	Number of shares	Percentage of issued share capital of the Company
Global Succeed Group Limited	Beneficial owner *(Note)*	360,000,000	75%
Mr. Chan Lin So Alan	Interest in a controlled corporation	360,000,000	75%
Mr. Yiu Koon Pong	Interest in a controlled corporation	360,000,000	75%

Note: Global Succeed Group Limited is the direct shareholder of the Company. According to the information available to the Company, Global Succeed Group Limited is beneficially owned as to 50% by Mr. Chan Lin So Alan and 50% by Mr. Yiu Koon Pong. By virtue of the SFO, each of Mr. Chan Lin So Alan and Mr. Yiu Koon Pong is deemed to be interested in the 360,000,000 shares held by Global Succeed Group Limited. Mr. Chan Lin So Alan is a consultant of the Company as at 31 December 2019 and up to the date of this announcement.

Save as disclosed above, as at 31 December 2019, the Directors were not aware of any other persons (other than the Directors or chief executive of the Company) who had, or was deemed to have, interest or short positions in the Shares or underlying Shares of the Company would fall to be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

The Company has conditionally adopted a share option scheme (the "**Share Option Scheme**") on 19 June 2017. For the principal terms of the Share Option Scheme, please refer to "Other Information — 12. Share Option Scheme" in Appendix IV to the Prospectus.

Up to the date of this announcement, no share option had been granted by the Company under the Share Option Scheme.

COMPETING INTERESTS

As far as the Directors are aware of, none of the Directors or the controlling shareholder of the Company or any of their respective close associates (as defined under the GEM Listing Rules) had any business or interest in a business that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group during the nine months ended 31 December 2019.

INTEREST OF THE COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Central China International Capital Limited ("**CCIC**") as the compliance adviser. CCIC has declared its independence pursuant to Rule 6A.07 of the GEM Listing Rules. None of CCIC or its directors, employees or close associates (as defined under the GEM Listing Rules) had any interests in relation to the Company or in the share capital of any member of the Group as at 31 December 2019 which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules.

CODE OF CORPORATE GOVERNANCE PRACTICES

The Company endeavors to adopt prevailing best corporate governance practices. For the nine months ended 31 December 2019, the Company, except for the deviation as specified below, had complied with all the code provisions set out in the Corporate Governance Code (the "**CG Code**") as contained in Appendix 15 of the GEM Listing Rules.

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Company has not appointed chief executive officer and chairman since 27 October 2017 and 6 February 2018 respectively. The roles and functions of chief executive officer and chairman have been performed by all the executive Directors collectively. The Board will keep reviewing its current structure from time to time and will appoint chief executive officer and chairman if the Board considers appropriate and necessary.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors (the "**Code of Conduct**") on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "**Required Standard Dealings**"). The Company had also made specific enquiry of all the Directors and each of them was in compliance with the Code of Conduct and Required Standard Dealings during the nine months ended 31 December 2019. Further, the Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by the Directors for the nine months ended 31 December 2019.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the nine months ended 31 December 2019.

AUDIT COMMITTEE

The financial information in this announcement has not been audited by the auditor of the Company. Pursuant to Rule 5.28 of the GEM Listing Rules, the Company established the audit committee (the "**Audit Committee**") with written terms of reference aligned with the provision of the code provisions set out in Appendix 15 of the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process, internal control procedures and risk management system of the Group. As at the date of this announcement, the Audit Committee comprises Mr. Cai Chun Fai, Ms. Chan Ka Ming and Mr. Ong King Keung, being the independent non-executive Directors.

The Audit Committee has reviewed the unaudited condensed consolidated results of the Company for the nine months ended 31 December 2019 and is of the opinion that the preparation of such results complied with the applicable accounting standards and the requirements under the GEM Listing Rules, and that adequate disclosures have been made.

By order of the Board
My Heart Bodibra Group Limited
Tam Chak Chi
Executive Director

Hong Kong, 7 February 2020

As at the date of this announcement, the executive Directors are Mr. Tam Chak Chi and Mr. Wong Wai Kit; and the independent non-executive Directors are Ms. Chan Ka Ming, Mr. Ong King Keung and Mr. Cai Chun Fai.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and on the Company's website at www.bodibra.com.